

Registered number: 09183805
Charity number: 1161123

Ways to Wellness Foundation

(A company limited by guarantee)

Annual report

Year ended 31 March 2023

Ways to Wellness Foundation

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Ways to Wellness Foundation

Reference and administrative details Year ended 31 March 2023

Trustees

Christopher Drinkwater (resigned 16 July 2022)
Sir Paul Ennals, Vice Chair (resigned 13 July 2023)
Ian Dodds
Mary Jordan
John Spurr
Guy Stephen Pilkington, Chair
Brigid Margot Joughin
Brendan Temple Hill (appointed 3 October 2022)

Company registered number

09183805

Charity registered number

1161123

Registered office

2nd Floor Forth Banks House
Skinnerburn Road
Newcastle Upon Tyne
NE1 3RH

Chief executive officer

Sandra Mitchell-Phillips

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Ways to Wellness Foundation

Trustees' report Year ended 31 March 2023

The trustees present their annual report together with the audited financial statements of the charity for the 1 April 2022 to 31 March 2023. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

Policies and objectives

The Foundation's objects for the period of this report are:

The preservation and protection of health, and the relief of poverty, by advancing social interventions, for individuals in North Cumbria and North East England with health conditions, in particular but not exclusively by:

- Developing and testing social interventions, and working with other sectors to do this;
- Providing information and prescribing social interventions to individuals to improve public health;
- Advancing the education of general public, medical practitioners and others in relation to social prescribing and other social interventions; and
- Such other exclusively charitable purpose(s) as the Trustees may from time to time determine in accordance with the law of charity.

Social interventions means non-medical interventions to achieve sustained healthy behaviour change and improved self-care. Social prescribing supplements the support a patient gets from their healthcare professional. A doctor or healthcare professional can prescribe an intervention, as they would medicine. Typically, the interventions include physical activity, health eating/cooking, social interaction and support with positive relationships.

Strategies for achieving objectives

The Ways to Wellness Foundation ('the parent charity') is the beneficial owner of and sole shareholder of its trading subsidiary, Ways to Wellness Limited, which together are referred to as 'the group'. Ways to Wellness was created in 2015 to test and evaluate the impact of intensive social prescribing support to patients with long term conditions on a large scale, i.e. the west end of Newcastle. Social prescribing is the use of non-medical interventions to achieve sustained lifestyle change and improved self-care among people with long term health conditions such as diabetes and heart disease. Ways to Wellness Limited aimed to reach approximately 10,000 patients over seven years, supporting up to 3,000 patients at any one time and significantly improving health and wellbeing outcomes for people living with long term health conditions. This target was achieved and the service continues to be commissioned by the ICB.

In recognising the Foundation's ability both to develop and prototype innovative solutions to health inequalities, since 2021 we have taken this learning and applied it to innovative new projects. We are supporting families with children requiring hospital treatment for neurodisability, and people on the waiting list for hip and knee operations.

Ways to Wellness Foundation

Trustees' report (continued) Year ended 31 March 2023

Objectives and activities (continued)

In September 2022 Ways to Wellness acquired Bluestone Collaborative, a charity with similar aims and objectives, to strengthen its presence outside of the Newcastle Upon Tyne area. With both charities operating under the Ways to Wellness banner, the organisation's reach now stretches across the Integrated Care System geography. As part of the acquisition, Ways to Wellness added a maternal mental health service to its portfolio of services which operates in Northumberland, Middlesbrough, Sunderland and North Cumbria.

The Foundation has now become the main operating vehicle, holding service level agreements, grant agreement and appropriate contracts where required. The operating company, Ways to Wellness Limited, is able to also hold contracts if that is the best option.

The public benefits generated from the work of Ways to Wellness are set out below under 'achievements and performance'. The trustees continue to consider the wider legacy that will follow this initial contract, as set out in plans for future periods. Having also given due consideration to the Charity Commission guidance relating to public benefit, the trustees are satisfied that the activities of the group continue to deliver substantial benefits in line with the charity's objects.

Achievements and performance

Main achievements of the charity

Patient Engagement

Across the range of prototypes and programmes that we are either testing or delivering, we have engaged with over 10,000 patients to date. The Ways to Wellness approach has been focussed on a more intensive intervention in order to encourage sustained behavioural change and therefore the number of patients on the programmes are relative to that intensity. As would be expected, our newer prototypes tend to involve a far smaller number of patients while we refine and test the model.

Patient Wellbeing Improvements

Patient wellbeing is measured across all of the Ways to Wellness programmes, largely using the Wellbeing StarTM specific to the patient group. On average, Ways to Wellness looks for a wellbeing improvement score of more than 2.5 points in the most recent assessment as a measure of success. Along with the quantitative data collected, qualitative data is also collected and patients' views and opinions about the programmes help to ensure that the intervention remains focussed, relevant and within expected outcomes.

Research

Ways to Wellness collaborates with local universities to evaluate and measure the impact of our prototypes. We have a strong commitment to research and evaluation and have excellent relationships with local academics who are involved with our evaluation of prototypes. Newcastle and Durham Universities, in collaboration with Ways to Wellness and funded by National Institute for Health Research (NIHR), have completed their extensive research and evaluation into the impact of the social prescribing programme on patients diagnosed with diabetes. The research published in early 2023 has highlighted some surprising and unexpected results including a reduction in the HBA1C measurement.

Research is also currently being undertaken with Newcastle University and the Great North Childrens Hospital in relation to our prototype supporting families who have a child with a diagnosis of a neurodisability and the results are expected in early 2024. A full evaluation is also underway in relation to the maternal mental health service. This service operates in four areas of the North East and North Cumbria ICB geography and Ways to Wellness subcontracts the delivery of the service to four locally based VCSE organisations.

Ways to Wellness Foundation

Trustees' report (continued) Year ended 31 March 2023

Achievements and performance (continued)

Review of activities

The Ways to Wellness group has seven trustees of the Foundation, three Non-Executive Directors of the Limited Company and 13 full time equivalent staff.

Across our prototypes, Ways to Wellness tests different methods of delivery and referral mechanisms to understand how best to ensure sustained success of the intervention.

Two local/regional sub-contracted charity and social enterprise delivery partners delivered the Ways to Wellness long term conditions service and employed approximately 19 full time equivalent Link Workers at the end of 2022/23. The majority of referrals to this programme are generated from GP practices.

Referrals to the child neurodisability programme are via the Great North Childrens Hospital while referrals to the perioperative programme are via a central hub working with Newcastle Hospitals and the prototype is delivered directly by Ways to Wellness.

The Maternal Mental Health programme generates its referrals via a wide range of sources. These include maternity services – perinatal, community midwives and wellbeing midwives, and also VCSE referrals and directly via the Primary Care Network.

Ways to Wellness Limited continues to receive and respond to dozens of requests annually from external organisations. The requests largely relate to information about social prescribing and/or social impact bond funding and originate from charities and social enterprises, commissioners and intermediaries.

Financial review

Financial performance

Over the year the programmes have generated a surplus and is expected to continue to do so during 2023/24 as referrals increase due to expansion of age range/GP practices.

Going concern

Any retained reserves generated by Ways to Wellness Limited will be used to achieve Ways to Wellness Foundation's charitable objectives in due course.

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Ways to Wellness Foundation

Trustees' report (continued) Year ended 31 March 2023

Reserves policy

The Ways to Wellness group has demonstrated that the 'link worker longer term support' model is successful and a larger surplus than expected has been achieved. In looking to the future of the organisation and to build on its success, the trustees are committed to developing and supporting innovative programmes and prototypes that improve health and wellbeing, and tackle health inequalities. Two projects are already under way, for which the Foundation is providing the initial seed funding. A third project was taken on through the acquisition of Blue Stone Collaborative in September 2022.

The trustees intend to invest the surplus prudently over the coming years into projects which achieve the aims of the Charity, whilst ensuring that 12 months' operating costs (currently £670k) are held back to ensure the ongoing operation of the projects in the event of a reduction in expected income. Currently the reserves are significantly more than this target. The trustees are developing an ambitious strategy for applying this excess. The strengthened capability and capacity of the staff and refocused aims and objectives will allow the trustees to invest the surplus prudently over the next few years. To reflect this ambition, the trustees have agreed to designate part of the reserves into two designated development funds, from which they expect to make significant allocations to projects in the coming year:

- a) £1m towards the cost of one significant project
- b) £300k towards the cost of multiple smaller projects

Subject to the success of these initiatives the trustees expect to invest future surplus reserves over the next few years

Structure, governance and management

Constitution

Ways to Wellness Foundation registered as a charitable company limited by guarantee and was set up under a Memorandum of Association dated 12 August 2014. It is a registered charity number 1161123.

Methods of appointment or election of trustees

No formal policy is in place for the appointment or election of trustees. Trustees and Non-Executive Directors are recruited and appointed based upon the knowledge, skills and experience judged to be necessary and appropriate to the best interests of the group and the Foundation's objects. New appointments are approved at Board level. Due to the relatively short-term (seven-year) contracts governing the current Ways to Wellness service terms, the group has not implemented time limitations or rotations for trustees or Non-Executive Directors.

The Senior Management Team comprises:

Sandra Mitchell-Phillips – Chief Executive Officer
Mike Bareham – Finance Manager
Simon Bromhead – Social Prescribing Development Lead

Organisational structure and decision-making policies

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the constitution but effective day-to-day management is delegated to the Chief Executive and staff within the charity.

Ways to Wellness Foundation

Trustees' report (continued) Year ended 31 March 2023

Structure, governance and management (continued)

Policies adopted for the induction and training of trustees

No formal policies are in place for the induction and training of trustees. New trustees and Non-Executive Directors are provided with key documents and policies, including terms of reference and expectations. New trustees and Non-Executive Directors have one-to-one induction meeting with the Chair and Chief Executive (and, as indicated, Finance Manager) to review the remit and expectations of the role as well as key areas of focus.

Risk management

The trustees have high level oversight of risks, with detailed risk management of operation, contract management and finances devolved to the Board of Non-Executive Directors of the trading subsidiary, which reviews the Risk Register quarterly at both Board and Finance Committee meetings. Given the outcomes-based nature of the contract and the use of SIB investment, key risks relate to the potential failure to achieve target patient engagement numbers and/or target outcomes (and resulting impact on adherence to financial model). The trustees and Non-Executive Directors are satisfied that systems and procedures are in place to mitigate the group's exposure to the major risks, including regular monitoring and analysis of service delivery metrics, patient experience and impact measures.

Plans for future periods

Service Developments

The trustees of the Foundation intend to develop and test further models of delivering services to communities experiencing health inequalities working with statutory organisations and using the VCSE sector as delivery agents over the coming years, effectively transforming the Foundation into a hub of innovation. The limited company will remain as the contract management agent in these models.

Throughout the coming year, the trustees and senior team are reviewing and revising the strategic direction in order to ensure that the organisation remains responsive and relevant.

Ways to Wellness Foundation

Trustees' report (continued) Year ended 31 March 2023

Plans for future periods (continued)

Disclosure of information to auditor

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, UNW LLP, has indicated its willingness to continue in office. The trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees on 12 October 2023 and signed on their behalf by:



Guy Stephen Pilkington

Ways to Wellness Foundation

Statement of trustees' responsibilities Year ended 31 March 2023

The trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial . Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 12 October 2023 and signed on its behalf by:


Guy Stephen Pilkington



Independent Auditor's Report to the trustees of Ways to Wellness Foundation

Opinion

We have audited the financial statements of Ways to Wellness Foundation ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements section' of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



Independent Auditor's Report to the trustees of Ways to Wellness Foundation (continued)

Other information

The other information comprises the information included in the trustees annual report , other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report to the trustees of Ways to Wellness Foundation (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the company's legal correspondence and we discussed with the directors and other management the policies and procedures regarding compliance with the laws and regulations. We communicated identified laws and regulations within our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation's (including related companies legislation) and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; data protection, employment law and certain aspects of company legislation, recognising the nature of the company's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Independent Auditor's Report to the trustees of Ways to Wellness Foundation (continued)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anne Hallowell

Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

12 October 2023

Ways to Wellness Foundation

Consolidated Statement of financial activities (incorporating income and expenditure account) Year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Charitable activities	4	1,446,504	1,446,504	1,250,903
Other income		79,513	79,513	929
		<u>1,526,017</u>	<u>1,526,017</u>	<u>1,251,832</u>
Total income				
Expenditure on:				
Raising funds		1,691	1,691	2,850
Charitable activities	5	1,080,532	1,080,532	720,500
		<u>1,082,223</u>	<u>1,082,223</u>	<u>723,350</u>
Total expenditure				
		<u>443,794</u>	<u>443,794</u>	<u>528,482</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		2,191,566	2,191,566	1,663,084
Net movement in funds		443,794	443,794	528,482
		<u>2,635,360</u>	<u>2,635,360</u>	<u>2,191,566</u>
Total funds carried forward				

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 18 to 31 form part of these financial statements.

Ways to Wellness Foundation

Consolidated balance sheet as at 31 March 2023

	Note	2023 £	2022 £
Intangible assets	8	(78,515)	-
Tangible assets	9	20,551	-
		<u>(57,964)</u>	<u>-</u>
Current assets			
Debtors	11	410,061	414,674
Cash at bank and in hand		2,746,450	1,900,306
		<u>3,156,511</u>	<u>2,314,980</u>
Creditors: amounts falling due within one year	12	(463,187)	(123,414)
Net current assets		<u>2,693,324</u>	<u>2,191,566</u>
Total assets less current liabilities		<u>2,635,360</u>	<u>2,191,566</u>
Total net assets		<u>2,635,360</u>	<u>2,191,566</u>
Charity funds			
Unrestricted funds	14	2,635,360	2,191,566
Total funds		<u>2,635,360</u>	<u>2,191,566</u>

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 12 October 2023 and signed on their behalf by:


Guy Stephen Pilkington

The notes on pages 18 to 31 form part of these financial statements.

Ways to Wellness Foundation

Balance sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Negative goodwill	8	(78,515)	-
Tangible assets	9	20,551	-
Investments	10	1	1
		<u>(57,963)</u>	<u>1</u>
Current assets			
Debtors	11	80,520	9,600
Cash at bank and in hand		2,315,879	1,583,004
		<u>2,396,399</u>	<u>1,592,604</u>
Creditors: amounts falling due within one year	12	(307,890)	(15,902)
Net current assets		<u>2,088,509</u>	<u>1,576,702</u>
Total net assets		<u><u>2,030,546</u></u>	<u><u>1,576,703</u></u>
Charity funds			
Unrestricted funds	14	2,030,546	1,576,703
Total funds		<u><u>2,030,546</u></u>	<u><u>1,576,703</u></u>

Ways to Wellness Foundation

Balance sheet (continued) as at 31 March 2023

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

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However, an audit is required in accordance with section 151 of the Charities Act 2011.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 12 October 2023 and signed on their behalf by:


Guy Stephen Pilkington

Company registered number: 09183805

The notes on pages 18 to 31 form part of these financial statements.

Ways to Wellness Foundation

Consolidated statement of cash flows Year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	15	742,561	163,554
Purchase of tangible fixed assets		(22,243)	-
Net cash inflow on acquisition		125,826	-
Change in cash and cash equivalents in the year		846,144	163,554
Cash and cash equivalents at the beginning of the year		1,900,306	1,736,752
Cash and cash equivalents at the end of the year	16	2,746,450	1,900,306

The notes on pages 18 to 31 form part of these financial statements

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

1. General information

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Ways to Wellness Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charitable company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

The total profit for the year dealt with in the accounts of the charitable company was £453,843 (2022: £282,927).

The financial statements are presented in pounds sterling which is the functional currency of the company and are rounded to the nearest £1.

2.2 Going concern

The group meets its working capital requirements through its operating cash flows. The trustees have considered the group wide assessment of financial forecasts which show that the group expects to retain sufficient financial resources to continue meeting its liabilities as they fall due for a least 12 months following approval of these financial statements.

After making enquiries, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Consequently, they consider that the preparation of these financial statements on a going concern basis remains appropriate.

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

2. Accounting policies (continued)

2.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grant income is recognised in full on receipt, or when receipt is certain, with the exception of programme related grant income which is recognised in the period in which the related activity takes place, with appropriate amounts accrued or deferred.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Royalty payments and management fees in respect of the loan are recognised within direct costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity, including those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements. They are apportioned against the activities of the charity in line with the estimated usage of those costs.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

2.5 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on all intangible assets so as to write off the cost of an asset over its estimated useful life as follows:

Negative goodwill	-	Amortised over the life of the contracts
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Assets residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price plus any further costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less their estimated residual value, over their estimated useful lives as follows:

Long-term leasehold property	-	10% straight line basis
Office equipment	-	10% straight line basis
Computer equipment for Link Worker	-	Depreciated over the remaining life of the contract

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.10 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances and loans from related parties.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

2. Accounting policies (continued)

2.11 Deferred taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences arise from the inclusion of transactions and events in the financial statements in periods different from those in which they are assessed for tax.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

2.12 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group's accounting policy for the recognition of income is detailed in note 2.3. Management consider that the main judgement and source of estimation uncertainty arises from the assessment of contract outcomes. Amounts receivable in connection with its contract are recognised in the statement of financial activities to the extent that the amounts can be quantified and the trustees have reasonable assurance that the outcomes have been completed.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Contracted service delivery	1,446,504	1,446,504	1,250,903

5. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Provision of services	646,611	433,921	1,080,532

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Provision of services	471,438	249,062	720,500

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Wages and salaries (note 7)	257,279	257,279	189,268
IT costs	31,032	31,032	15,974
Legal and professional fees	12,770	12,770	5,560
Other support costs	132,840	132,840	38,260
	<u>433,921</u>	<u>433,921</u>	<u>249,062</u>

6. Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor for the audit of the charitable company's annual accounts	<u>9,000</u>	<u>8,000</u>

7. Staff costs

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Wages and salaries	240,340	153,635	201,334	61,624
Social security costs	16,982	6,918	14,482	3,171
Contribution to defined contribution pension schemes	33,054	28,715	16,026	3,093
	<u>290,376</u>	<u>189,268</u>	<u>231,842</u>	<u>67,888</u>

The average number of persons employed by the charity during the year was as follows:

Group 2023 No.	Group 2022 No.	Charity 2023 No.	Charity 2022 No.
<u>9</u>	<u>5</u>	<u>1</u>	<u>3</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

7. Staff costs (continued)

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-

The key management personnel of the charity comprise the chief executive officer and finance manager. The employee benefits total £102,532 (2022: £90,608).

8. Intangible assets

Group and charity

	Negative goodwill £
At 1 April 2022	-
Additions (note 13)	(125,826)
At 31 March 2023	(125,826)
Credit for the year	(47,311)
At 31 March 2023	(47,311)
Net book value	
At 31 March 2023	(78,515)
At 31 March 2022	-

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

9. Tangible fixed assets

Group and Charity

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2022	-	-	4,752	4,752
Additions	8,183	14,060	-	22,243
At 31 March 2023	8,183	14,060	4,752	26,995
Depreciation				
At 1 April 2022	-	-	4,752	4,752
Charge for the year	672	1,020	-	1,692
At 31 March 2023	672	1,020	4,752	6,444
Net book value				
At 31 March 2023	7,511	13,040	-	20,551
At 31 March 2022	-	-	-	-

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

10. Investments

	Shares in group undertaking £
Charity	
Cost or valuation	
At 1 April 2022	1
At 31 March 2023	<u>1</u>

Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Country of incorporation	Class of shares	Holding
Ways to Wellness Limited	08798423	England	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Ways to Wellness Limited	1,217,322	(612,508)	604,814	604,815

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

11. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	321,000	-	-	-
Amounts owed by group undertakings	4,564	-	2,174	-
Prepayments and accrued income	84,497	414,674	78,346	9,600
	410,061	414,674	80,520	9,600

12. Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	48,778	22,765	22,319	-
Amounts owed to group undertakings	4,564	-	-	750
Corporation tax	-	365	-	-
Other taxation and social security	102,153	48,736	776	-
Accruals and deferred income	307,692	51,548	284,795	15,152
	463,187	123,414	307,890	15,902

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

13. Business combinations

On 1 September 2022, the charity acquired the entire trade and assets of Bluestone Collaborative for a consideration of £nil. Acquisitions are accounted for under the purchase method. The following table sets out the fair value to the group of the identifiable net assets and liabilities acquired.

	Book value £	Fair value adjustments £	Fair value £
Current Assets			
Debtors	9,480	10,132	19,612
Cash at bank and in hand	557,087	-	557,087
Total Assets	566,567	10,132	576,699
Creditors			
Due within one year	(437,198)	(13,675)	(450,873)
Total Identifiable net assets	129,369	(3,543)	125,826
Negative goodwill			(125,826)
Total purchase consideration			-

The negative goodwill arising on acquisition is attributable to cash received in advance for contracts that are to be delivered over the next 2 years.

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
Designated Funds	-	-	-	1,300,000	1,300,000
General funds					
General funds	2,191,566	1,526,017	(1,082,223)	(1,300,000)	1,335,360
Total Unrestricted funds	2,191,566	1,526,017	(1,082,223)	-	2,635,360

Designated funds comprise amounts set aside by the trustees for future projects in development.

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
General funds				
General funds	1,663,084	1,251,832	(723,350)	2,191,566

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

15. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	443,794	528,482
Adjustments for:		
Depreciation charges	1,692	2,850
Amortisation charges	(47,311)	-
Decrease/(increase) in debtors	9,177	(96,528)
Increase/(decrease) in creditors and other provisions	335,209	(271,250)
Net cash provided by operating activities	742,561	163,554

16. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	2,746,450	1,900,306
Total cash and cash equivalents	2,746,450	1,900,306

17. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	Acquisition £	At 31 March 2023 £
Cash at bank and in hand	1,900,306	289,057	557,087	2,746,450

18. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charged represents contributions payable by the group to the fund and amounted to £33,054 (2022: £28,715).

As at 31 March 2023 there were no contributions payable to the scheme (2022: £nil).

Ways to Wellness Foundation

Notes to the financial statements Year ended 31 March 2023

19. Related party transactions

The charitable company has received donations of £614,863 (2022: £369,307) from its subsidiary undertaking, Ways to Wellness Limited, in the year. No amounts remain outstanding in respect of these donations at the balance sheet date.

The key management personnel of the charitable company comprise the chief executive officer and finance manager. The total employee benefits for key management personnel are disclosed in note 7.